



NEWS RELEASE

**STATE BOARD
OF EQUALIZATION**

450 N Street
Sacramento
California 95814

BETTY T. YEE
Acting Member, BOE
First District

RAMON J. HIRSIG
Executive Director

FOR IMMEDIATE RELEASE

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**YEE ANNOUNCES FUEL TAX RELIEF
IN WAKE OF HURRICANE KATRINA**

Betty T. Yee, Acting Member, of the California State Board of Equalization (BOE), in response to shortages of clear diesel fuel caused in part by Hurricane Katrina, announced that the BOE will not impose a tax penalty when dyed diesel fuel is sold for use or used on the highway. This relief applies immediately, and will remain in effect through September 15, 2005.

This penalty relief is available to any person that sells or uses dyed diesel fuel for highway use. The relief is available only if the operator or the person selling the fuel pays the state diesel fuel excise tax of 18 cents per gallon.

The Internal Revenue Service (IRS) has adopted the same period for relief from federal penalties imposed on the sale or use of dyed diesel fuel on the highway. For more information on the IRS relief policy see <http://www.irs.gov/newsroom/article/0,,id=147221,00.html>

Ordinarily, dyed diesel fuel is not taxed, because it is sold for uses exempt from excise tax, such as farming purposes, construction activities, and for or others who use the fuel off-highway.

If you have questions about this notice, or require assistance in remitting the excise tax on dyed diesel fuel, please call the Fuel Taxes Division at 916-322-9669 or toll-free at 800-400-7115 (follow the prompts to fuel taxes). Staff is available to help you weekdays from 8 a.m. to 5 p.m, except state holidays.

Acting Board Member Betty T. Yee, of San Francisco, assumed the First District seat on the Board of Equalization in 2004.

The five-member Board of Equalization is a publicly elected tax board. The Board collects more than \$44 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and plays a significant role in the assessment and administration of property taxes.

Other Board Members include Bill Leonard of Sacramento/Ontario, Second District; Claude Parrish of Long Beach, Third District; Chairman John Chiang of Los Angeles, Fourth District and State Controller Steve Westly.

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